



STATE OF MAINE
PUBLIC UTILITIES COMMISSION
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March 5, 2014

To: Telephone Utilities Designated as Providers of Provider of Last Resort (POLR) Service

SUBJECT: 2013 Annual Report to the Public Utilities Commission

NOTE: IT IS THE RESPONSIBILITY OF THE UTILITY TO ENSURE THAT THE ANNUAL REPORT IS FILED ON TIME USING THE COMMISSION'S ELECTRONIC CASE MANAGEMENT SYSTEM (CMS).

Annual Report/Revenue Due Date:
Extension Request Deadline:

April 1, 2014
March 28, 2014

Source of Gross Revenues: The total revenue subject to assessment is reported on page 8.

Link to Electronic Copy of Report and Filing Instructions:
<http://www.maine.gov/mpuc/online/forms/AnnualReportForms.html>

Do not use forms from prior years

Link to Filing Site: <http://www.maine.gov/mpuc/online/index.shtml>

Pursuant to 35-A M.R.S.A. § 504, public utilities must submit an Annual Report to the Maine Public Utilities Commission (Commission). The Report for the year ended December 31, 2013, is due by April 1, 2014. Pursuant to 35-A M.R.S.A. § 7221, Incumbent Local Exchange Carriers (ILECs) are now designated as providers of Provider of Last Resort (POLR) service. Rates for POLR service are now the only retail rates of ILECs that are "filed rates" subject to the Commission's jurisdiction. Intrastate wholesale rates of all telephone utilities remain subject to Commission jurisdiction, but they are not subject to assessment. Revenue derived from the provision of POLR service is the only revenue that is subject to assessment. The Annual Report for public utilities that are

ILECs (POLR service providers) is available from the Commission web site at the “Link to Electronic Copy of Report and Filing Instructions” that is listed in the box on page 1 of this letter. The Commission requires that filing of the Annual Report be done electronically, using the “Link to Filing Site” that is also provided in the box on page 1.

In lieu of the Annual Report for ILECs, Northern New England Telephone Operations LLC d/b/a FairPoint Communications-NNE must file portions of its FCC ARMIS report as set forth in the Commission’s Procedural Order dated November 12, 2008, in Docket No. 2008-108, but it must file page 8 of the MPUC Annual Report to provide its revenues subject to assessment.

Any request for extension of the filing deadline must be in writing and must be sent to Lucretia Smith, Utility Analyst at the Commission by March 30, 2013. For this purpose, an email message is acceptable (Lucretia.smith@maine.gov). An extension of up to one month may be granted for the non-financial information. However, because the Commission must complete its annual assessment preparation, which requires the use of operating information, by May 1 of each year, companies must file their revenue subject to assessment information by the April 1 deadline. Utilities with less than \$50,000 in gross intrastate operating revenues from filed rates will not be assessed, but all utilities must report their revenues. Utilities that fail to file a timely report may be subject to enforcement procedures.

At the bottom of page 8 of the Annual Report form, the utility must report the revenues that are subject to the Commission assessment. These revenues are defined in 35-A M.R.S.A. § 116 as follows: "For the purposes of this section, 'intrastate gross operating revenues' mean intrastate revenues derived from filed rates ..., except revenues derived from sales for resale." Because only rates for POLR service are “filed rates” subject to PUC jurisdiction, the Revenues Subject to Assessment is the revenues derived from the sale of POLR service.

Although annual assessments are based on intrastate operating revenues subject to Commission jurisdiction (i.e., POLR rates), utilities should report all revenue generated from operations in Maine, because the Commission needs this information for other regulatory and analytical purposes.

Pursuant to Chapter 710 of the Commission Rules, each provider of POLR service must have its books of account audited and file a copy of its independent auditor’s report with the Commission by July 1, 2014, but it may request an extension if necessary. If the auditor expresses a qualified opinion or finds inaccuracies in the information contained in the Annual Report, the utility must file corrected pages of the Annual Report, and it must indicate what action it will take to prevent future misreporting or to correct any identified deficiency in its accounting systems.

Questions about the Annual Report should be directed to Richard Kania at (207) 287-1379 or at rich.kania@maine.gov.

In 2012, the Commission implemented a new Case Management System (CMS). The Annual Report must be filed using the CMS. The “Link to Electronic Copy of Report and Filing Instructions” provides instructions on how to use the CMS to file the Annual Report. We no longer accept the filling of paper copies of the report.

Sincerely,

/s/ Harry Lanphear

Harry Lanphear
Administrative Director